

State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

August 30, 2010

Ron Ginther, VP of Operations & Product Development
Chatsworth Data Corporation (CDC)
20710 Lassen Street
Chatsworth, CA 91311

Dear Mr. Ginther:

RE: SBP-FINAL MONITORING VISIT REPORT - Chatsworth Data Corporation (CDC) Inc. - ET09-0553

Date of the Visit:	08/27/10
Beginning/Ending Time:	9:45 a.m. – 1:45 p.m.
Date of Last Visit:	10/28/09
Visit Location:	Chatsworth
Persons in attendance:	Ron Ginther, VP of Operations & Product Development (CDC) Lan Vuong, ETP Project Analyst
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	04/01/09 – 03/31/11	Agreement Amount:	\$54,600
Training Start Date	04/02/09	No. to Retain:	35
Date Training must be completed:	12/30/10	Range of Hours:	8 – 80
Type of Trainee:	Retrainee	Weighted Average:	60

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FINAL REPORT SUMMARY

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed on May 4, 2009, and training began on April 2, 2009. Mr. Ginther reported that all training was completed on January 6, 2010, which allowed for the 90-day retention period to be completed within the term ending date of the Agreement – March 31, 2011.

ETP approved one Agreement Revision on November 3, 2009, to change the contract term end date from 03/31/10 to 03/31/11 and to increase maximum training hours from 60 to 80.

ETP also approved a request on December 28, 2009, to change contract representative.

• FINAL PROJECT STATISTICS

Your Agreement contains a variable reimbursement training plan, which means that reimbursement will be based on the total actual number of training hours completed by each trainee between 8 and 80 training hours. There will be no reimbursement for any trainee who does not complete a minimum of 8 hours of training from the approved curriculum.

According to Mr. Ginther, of the 35 trainees specified on Chart 1, Exhibit A of the Agreement, 25 trainees completed training and the 90-day retention period. The ETP Class/Lab Tracking Report shows that you have delivered 1,580.8 class/lab training hours for 25 trainees who meet the minimum hours. This resulted in a completion rate of 71 percent of the number of trainees and approved earnings of \$41,098 which is 75 percent of the Agreement amount.

To date, your company has received \$41,098 in approved earnings. You reported that all training ended on January 6, 2010 and trainees met the 90-day retention period, all invoices have been submitted to ETP.

• INTERVIEW WITH CONTRACTOR’S REPRESENTATIVE

You stated that you are aware that the Agreement could remain open but the company made a decision to end the ETP Agreement early due to business needs. You reported that the company was not able to provide all the training originally intended in this Agreement because the company over estimated the number of training hours in their training plan; and employees did not meet the ETP minimum wage requirement.

You indicated that although Chatsworth Data did not earn 100 percent of the available funds, the training provided to the trainees in Computer Skills, Continuous Improvement, Business Skills, and Manufacturing Skills was very beneficial and practical to their jobs. They have better understanding and knowledge of each position and its process. The training also assisted the company to meet the requirements of ISO which will allow the company to expand business with new and existing customers. You also stated that ETP training funds made it easy for the company to move forward with training.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Trainees Started Training:	42	Completed Training:	25
Trainees Enrolled:	42	In Retention Period:	0
Dropped Following Enrollment:	17	Completed Retention	25
Completed Minimum Required Hours for	25		

The project statistics provided by you matched those listed on the ETP Contract Status Report.

reimbursement:			
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TRAINING

RECORDS

Ms. Vuong conducted a random sampling of eight trainees who completed training and retention billed for payment on Invoice 6. Records reviewed validated the completion of the training hours required in this Agreement. Records show that these trainees completed between 10 and 80 total training hours and the completed hours matches those posted on the ETP Online Tracking System. Records reviewed confirmed that the Agreement curriculum was provided as specified and the ratio of trainer to trainee delineated in the Agreement training plan was adhered to.

The above findings are based only on the training records reviewed during this visit and represent only a sample of the training records completed to date. Therefore, it is your responsibility to ensure that all training records comply with Panel requirements for auditing purposes. (Reference: Title 22 California Code of Regulations, Section 4442)

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AUDIT

Your company will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk review. These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit Confirmation letters.

To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

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RECORD RETENTION

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

Please contact Lan Vuong within ten (10) working days at (818) 755-1306 or by email at lvuong@etp.ca.gov if you have any questions or comments.

Sincerely,

Signature on file

Wally Aguilar, Program Manager

North Hollywood Regional Office

Signature on file

Lan Vuong, Project Analyst
North Hollywood Regional Office

cc: David Guzman, Chief, Audits & Program Operations Division, ETP (via email)
Kulbir Mayall, Manager, Fiscal and Certification, ETP (via email)

Master File
Project file

Date report mailed to Contractor 8/31/10